BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF THE VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM ORDERING PARAGRAPHS 1 AND 2 OF DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS	)	**PROCEEDING NO. 25V-____E**

VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS, REQUEST FOR A SHORTENED NOTICE AND INTERVENTION PERIOD, AND REQUEST FOR APPROVAL OF ASSOCIATED PROCEDURES

Pursuant to Rules 1003 and 1304(e) of the Colorado Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Trial Staff of the Colorado Public Utilities Commission ("Staff"), the Colorado Energy Office ("CEO"), the Colorado Office of the Utility Consumer Advocate ("UCA"), and Public Service Company of Colorado ("Public Service" or the "Company") (collectively, the "Joint Petitioners") seek a variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761, and any other decisions the Colorado Public Utilities Commission ("Commission") deems necessary, to modify the plan to retire Comanche Unit 2 from December 31, 2025, to December 31, 2026. Good cause exists to grant the variance, and the limited modification of the planned Comanche Unit 2 retirement date is in the public interest.

Electric resource planning ("ERP") proceedings have assumed the retirement of Comanche Unit 2 at year-end 2025 for several years dating back to 2018 when the Commission issued Decision No. C18-0761. The ensuing years have brought numerous changes in state policy, federal policy, resource planning, and power procurement. And, over that same timeframe, we have seen increasing peak load growth, requiring incremental resources to serve this demand. Most recently, supply chain challenges, tariff uncertainties, and changes to federal law have led to delayed in-servicing of resources that could have helped address this challenge, ultimately affecting Public Service's loads and resources projections. In addition, the Company has updated its resource accreditation and planning reserve margin development approaches based on industry best practices and resulting greater than anticipated resource needs.

A variance to the requirement to file an application to amend the Certificate of Public Convenience and Necessity ("CPCN") for Comanche Unit 2 and a one year extension of the plan to retire Comanche Unit 2 to December 31, 2026 is appropriate at this time and keeps the unit available to Public Service system operators in 2026. The Joint Petitioners believe that the continued operation of Comanche Unit 2 in 2026 is the most cost-effective approach to providing needed electricity for the system (as shown in the Company's loads and resources projections for summer 2026 in resource planning filings). Importantly, this Petition does not seek an order allowing for the operation of Comanche Unit 2 in perpetuity—it seeks a modest extension in the plan to retire the unit while setting up a process that will assess both resource options and mechanisms to continue orderly progress towards the State of Colorado's 2030 emissions reduction objectives.

To facilitate the timely resolution of the variance sought through this Petition, the Joint Petitioners request a shortened notice and intervention period of ten (10) days pursuant to Rule

1003(b), along with associated procedures set forth in this Petition. At this time, the Joint Petitioners are not requesting any further modification of existing resource plans beyond the variance requested here to address recent events and associated issues discussed in this Petition.

I. OVERVIEW

The orderly transition of coal-fired generation resources has been a centerpiece of Colorado resource planning for over a decade. In Public Service's 2016 ERP, Proceeding No. 16A-0396E, parties reached a settlement requiring the Company to propose portfolios in which Comanche Units 1 and 2 would retire early. The Commission approved that settlement, and Public Service then presented portfolios showing that retiring Comanche Units 1 and 2 in 2022 and 2025, respectively, would result in no additional cost to customers relative to portfolios in which the units retired in later years. The Commission-approved portfolio in Proceeding No. 16A-0396E resulted in a portfolio of resources to replace portions of the energy and capacity from Comanche Units 1 and 2. The Commission subsequently approved an accelerated depreciation and cost recovery schedule for Comanche Units 1 and 2 in Proceeding No. 17A-0797E.

In the Company's next resource plan, the 2021 ERP and Clean Energy Plan ("2021 ERP & CEP"), Proceeding No. 21A-0141E, modeling assumed that Comanche Unit 2 would retire on December 31, 2025. Numerous parties to the proceeding reached an Updated Non-Unanimous Partial Settlement Agreement ("USA") with Comanche Unit 3 retiring by January 1, 2031. The parties to the USA included a diverse set of parties, including the Joint Petitioners. The Commission approved the USA, and subsequently approved a portfolio of resources in Proceeding No. 21A-0141E based on modeling and analyses assuming that Comanche Unit 2 would retire on December 31, 2025.

These plans were reasonable and appropriate based on the information available at the time they were created and approved by the Commission. Recent events have resulted in challenges to those plans that generally fall into four areas: (1) the impact of the extended outage of Comanche Unit 3 on the Public Service system; (2) increasing peak load growth in the Public Service territory; (3) supply chain and geopolitical/macroeconomic impacts; and (4) reassessment of resource accreditation and planning reserve margin methodologies. While the Commission has multiple planning and other regulatory processes that are available to manage and address these issues, each of these issues layers atop one another, contributing to the need for the variance presented here.

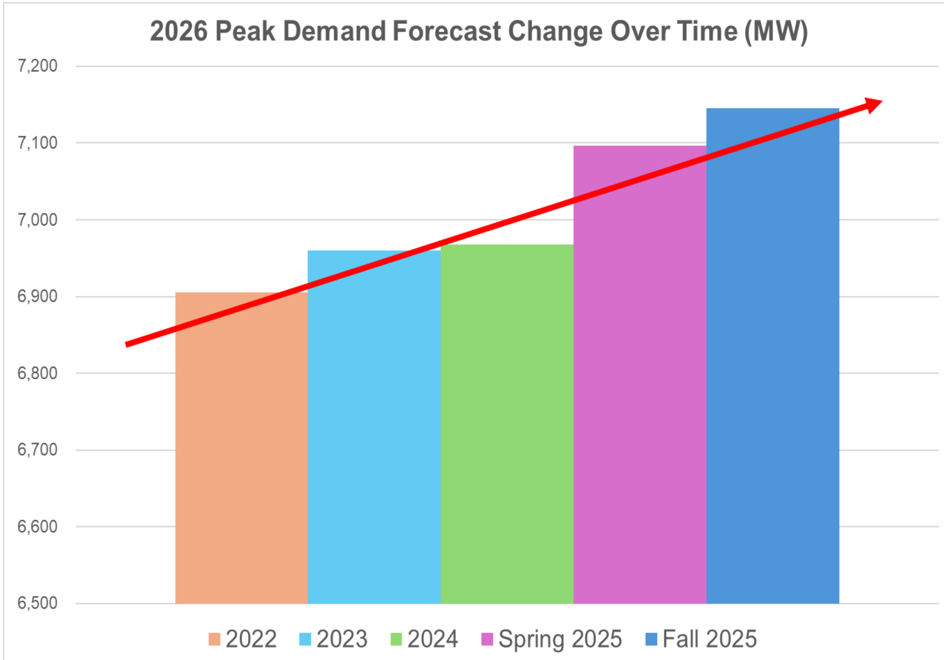
A. Comanche Unit 3 Outage and the Need for Comanche Unit 2 in 2026

Comanche Unit 3, which provides Public Service's system with 415 MW of accredited capacity, experienced an unplanned outage and is offline through at least June 2026. This outage, combined with the other layered issues described below, i.e., supply chain and geopolitical issues, and increasing peak demand, leads to this proposal to operate Comanche Unit 2 (which has a nameplate capacity of 335 MW and an accredited capacity of 296 MW) as a cost effective, near-term solution and supports the need for the requested variance. The Joint Petitioners propose a process below for a future report and application; the extension of Comanche Unit 2 facilitates time for that reporting and review to occur.

B. Increasing Peak Demand in Public Service Territory

Figure 1 below shows the peak demand forecast for summer of 2026 over time in megawatts ("MWs") year-over-year from forecasts developed in 2022 through the fall of this year. Each updated forecast illustrates the growing peak demand on the Company's system, reflective of the load growth forecasted by Public Service and focused on the year 2026.

Figure 1: Peak Demand Forecast Over Time (2022-2025) for Year 2026



C. Supply Chain and Geopolitical Issues

Supply chain and geopolitical issues also contribute to the challenge, impacting the viability of projects in various ways. The Company addressed this in the CEP Delivery Plan in September 2024 (also in Proceeding No. 21A-0141E). The Commission issued a final decision approving the CEP Delivery Plan parameters on January 14, 2025. In approving the CEP Delivery Plan with modifications, the Commission stated:

> Our Decision allows the generation and storage projects included within the CEP to continue advancing despite changing market dynamics and geopolitical uncertainties, including importantly potential future changes in federal law. Advancing these generation and storage projects as part of the overall determinations made through the course of this Proceeding moves Colorado forward towards achieving aggressive state emission reduction targets.[1]

The CEP Delivery Plan and associated evidentiary record illustrates the supply chain and geopolitical challenges that utilities and developers are navigating, along with the State of

[1] Decision No. C25-0024, at ¶ 2 (Jan. 14, 2025).

Colorado's response to them. While the CEP Delivery Plan assists with navigating these issues, it does not cure them.

D. Resource Accreditation and Planning Reserve Margin Changes

In accordance with the USA, the Company worked with an industry-leading consultant in the ongoing Just Transition Solicitation ("JTS") in Proceeding No. 24A-0442E to update its method for determining accredited capacity in a way that was more accurate and aligned with industry best practices.[2] That analysis revealed additional energy and capacity needs compared to prior modeling approaches. As such, the Company's need for resources—including in 2026 and 2027—identified through electric resource planning processes has increased over the coming years. The Commission continues to address overall energy and capacity needs through on-going planning proceedings, including the Near-Term Procurement ("NTP"), an innovative multi-stage electric resource plan solicitation, and other planning proceedings. However, just like the supply chain and geopolitical impacts on resource development and in-servicing, the updated accreditation and planning reserve margin approach affects the Company's loads and resources balance.

E. Next Steps

The Comanche Unit 3 development brought the Joint Petitioners together in requesting a variance to extend the planned retirement date of Comanche Unit 2. But simply obtaining a variance here is not the end of the work. Indeed, the variance sought through this Petition creates

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[2] *See, e.g.,* Hrg. Ex. 102, Direct Testimony of Jon T. Landrum, at 30:12-20 (explaining that consultant Energy and Environmental Economics, Inc. ("E3") utilized their Renewable Energy Capacity Planning Model (RECAP), which is a loss of load probability model used to evaluate the resource adequacy of electric power systems. E3 originally developed RECAP in 2011 for the California Independent System Operator ("CAISO") and has since adapted the model for other Independent System Operators, including MISO, PJM, NYISO, and ISO-NE; utilities, including Duke Energy, the Sacramento Municipal Utilities District, Portland General Electric, Puget Sound Energy, Dominion Energy, Salt River Project, Public Service of New Mexico, and New Brunswick Power; and public utilities commissions, including the Oregon and Texas PUCs.").

an appropriate period of time to assess more permanent, long-term options, including resources that are projected to come on-line through on-going resource planning and other processes and consideration of updated retirement dates for Comanche Unit 2 and Comanche Unit 3. These efforts will include assessments of resource "portfolio" options for near-term, mid-term, and more permanent resource adequacy solutions, paired with emissions assessments of different approaches.

The Joint Petitioners propose two updates to the Commission on work in the extended review period in two different steps, as follows:

Step 1: March 1, 2026 Report. The Company will provide a report to the Commission on or before March 1, 2026. This report will include an update on the repair and return to service status of Comanche Unit 3, including forecasted cost of repairs, any resource options identified in collaborative work with the Joint Petitioners for potential near-term resource adequacy benefits, and other analysis relevant to the four areas outlined above. It will also include an initial plan to address on-going needs considering all available options, including not only plant extensions, but also expedited resource additions and demand-side options, with further refinement in Step 2. In addition, the Joint Petitioners intend to discuss the operations of Comanche Unit 2 over the course of the first quarter to determine appropriate operational parameters or approaches that may work for the unit while it operates in 2026, with a specific focus on operations after Comanche Unit 3 returns to service. The Step 1 report would include the results or status of these operations-focused discussions among the Joint Petitioners to keep the Commission apprised of potential options under consideration or options that the Company is comfortable pursuing.

Step 2: June 1, 2026 Application. For the second step, the Company commits to file an application for any additional variances or resource approvals, building on the Step 1 report and depending on options identified through the collaborative work with the Joint Petitioners in the review period, by June 1, 2026. As part of that filing, the Company will include updated loads and resources tables and loss of load calculations that include analysis of new resources projected to come on-line from the NTP, JTS Phase II resource solicitation (in Proceeding No. 24A-0442E and to the extent known), or other relevant proceedings. The Company would likely seek consideration of any such requests on an expedited basis, e.g., a 120-day schedule. Options proposed for approval will focus on intermediate and long-term contracts, generation resource acquisitions, generation resource development, new distributed energy resource opportunities, potential demand response or programming changes beyond currently-approved program limits, or any other options that can benefit the Company's near- or mid-term resource adequacy position on either a temporary (e.g., a few years) or more permanent basis.[3]

These two steps make use of the extended review period with appropriate check-ins with the Commission. Moreover, and equally important, they set out an orderly process of next steps as the Company, in collaboration with the other Joint Petitioners, assesses the future operation of Comanche Unit 2, Comanche Unit 3, and other resource options.

II. REQUEST FOR VARIANCE

Rule 1003(c) sets forth the requirements for a variance petition:

(I) citation to the specific paragraph of the rule or decision from which the waiver or variance is sought;

(II) a statement of the waiver or variance requested;

(III) a statement of facts and circumstances relied upon to demonstrate why the Commission should grant the request.

[3] The other Joint Petitioners may or may not join this application and reserve their rights with respect to this future application.

(IV) a statement regarding the duration of the requested waiver or variance, explaining the specific date or event that will terminate it;

(V) a statement whether the waiver or variance, if granted, would be full or partial; and

(VI) any other information required by rule.

Decision No. C18-0761, at Ordering Paragraphs 1-2, states as follows:

> 1. The proposed early retirement of units 1 and 2 at the Comanche generation station, owned and operated by Public Service Company of Colorado (Public Service), is approved as part of its 2016 Electric Resource Plan (ERP), consistent with the discussion above.
>
> 2. Public Service shall file an application to amend the Certificates of Public Convenience and Necessity (CPCNs) for Comanche units 1 and 2, pursuant to 4 Code of Colorado Regulations (CCR) 723-3-3103 of the Commission's Rules Regulating Electric Utilities, as modified by this Decision, consistent with the discussion above."

Among other things, Ordering Paragraph 1 approves the Company's plan to retire Comanche Unit 2. Ordering Paragraph 2 requires a limited scope CPCN amendment filing associated with such retirement. The Joint Petitioners seek relief in the form of a variance from the Commission's directive to file a CPCN amendment to effectuate a retirement of the unit by the end of this year, as well as any other requirements the Commission deems necessary. The discussion that follows addresses each rule requirement in more detail.

A. Rule 1003(c)(I): citation to the specific paragraph of the rule or decision from which the waiver or variance is sought.

Joint Petitioners seek a variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761; specifically the requirement to file for a CPCN amendment to retire Comanche Unit 2 consistent with the Company's 2016 ERP in Decision No. C18-0761 and any other requirements the Commission deems necessary.

B. Rule 1003(c)(II): a statement of the waiver or variance requested.

The Joint Petitioners seek a variance of 365 days, i.e., until December 31, 2026, for the planned retirement of Comanche Unit 2, with the CPCN filing requirement held in abeyance until that time. In Step 2 defined above, the Joint Petitioners or the Company may bring a longer variance request to the extent necessary. Any longer extension, however, is not at issue here in this proceeding. In addition, neither the Company nor the Joint Petitioners seek any ratemaking relief as part of this Petition. Any such requests can be brought forward and addressed by the Commission in other appropriate proceedings.

C. Rule 1003(c)(III): a statement of facts and circumstances relied upon to demonstrate why the Commission should grant the request.

Section II above outlines the facts, circumstances, and need for the variance requested by the Joint Petitioners. The variance and 365-day extension allows time for the two-step process outlined above to assess future plant operations and resource options. In addition, it provides a level of certainty to system operators and the workers at the unit by having a date certain for the plan to retire the unit. Moreover, it is worth noting that, viewed from a greenhouse gas ("GHG") emissions perspective, a Comanche Unit 2 extension will result in GHG emissions in 2026 from the unit that would not otherwise have occurred; however, that should be viewed in the context of a Comanche Unit 3 outage, where the emissions from the larger Comanche Unit 3 will *not occur*, leading to lower GHG emissions in the first half of 2026 (along with lower GHG emissions in the latter part of 2025). The Company also intends to evaluate the emissions impact, including other pollutants beyond GHG emissions, and to work with the Colorado Department of Public Health and Environment on that effort.

D. Rule 1003(c)(IV): a statement regarding the duration of the requested waiver or variance, explaining the specific date or event that will terminate it.

The duration of the requested variance is through December 31, 2026. The variance will terminate on that date absent an additional variance request and the subsequent grant of the request by the Commission.

E. Rule 1003(c)(V): a statement whether the waiver or variance, if granted, would be full or partial.

The variance is partial as it is time-limited through December 31, 2026, absent a further variance.

F. Rule 1003(c)(VI): any other information required by rule.

The Joint Petitioners are not aware of any additional information required by rule.

IV. REQUEST FOR SHORTENED NOTICE AND INTERVENTION PERIOD AND RELATED PROCEDURES

The Joint Petitioners request a shortened notice and intervention period pursuant to Rule 1003(b), along with related procedures. Rule 1003(b) states: "If a petition requests a waiver or variance to be effective less than 40 days after the date of filing, the petition must include a request to waive or shorten the Commission notice and intervention period found in paragraph (d) of rule 1206."

The Joint Petitioners request approval of the procedures and schedule set forth below, which feature: (1) a shortened notice and intervention period of ten calendar days; (2) the filing of responses to the petition *with* any motions to intervene; and (3) a two-calendar day reply timeline for the Joint Petitioners to address any responses.[4] The procedures are set forth with specific dates, including a proposed date for Commission deliberation and action.

Process Step	***Timing***
Joint Petition	+0 (November 10, 2025)
Commission accepts Petition	(November 12, 2025)
Intervention Deadline (petition responses included with interventions)	+10 calendar days after filing (November 20, 2025)
Joint Petitioner Reply	+6 calendar days after response (November 26, 2025)
Commission Deliberation	December 3, 2025
Commission Action	December 10, 2025

V. CONCLUSION AND REQUEST FOR RELIEF

The Joint Petitioners ask for swift Commission action on this Petition, and time is of the essence given the upcoming retirement date for Comanche Unit 2. The Joint Petitioners appreciate the Commission's prompt consideration of this request and the related procedural requests.[5]

The Joint Petitioners request approval of:

- A variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761 and any other requirements deemed necessary by the Commission.
- A shortened notice and intervention period of ten days.
- The procedures for consideration and decision on this Petition set forth above.

The Joint Petitioners further request that the Commission grant this Petition without a hearing.

[4] The Joint Petitioners are providing electronic courtesy service of this Petition to all parties to Proceeding No. 16A-0396E, Proceeding No. 21A-0141E, and Proceeding No. 24A-0442E given the request for a shortened notice and intervention period and associated procedures here.

[5] The Joint Petitioners ask the Commission to ensure that the relief sought in this petition will not interfere with the Company's planned or in-progress acquisition or interconnection of new generating resources. Nothing in this proposal shall be construed as the Joint Petitioners' request to alter the Company's proposal to acquire new resources through the NTP and the JTS. The Joint Petitioners strongly encourage the Commission to ensure that the NTP remains on the procedural schedule that the Commission approved, and to move as quickly as possible to conclude the Phase I JTS and proceed to Phase II of the JTS.

Dated this 10th day of November 2025.

Respectfully submitted,

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ATTORNEYS FOR PUBLIC SERVICE COMPANY OF COLORADO

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

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IN THE MATTER OF THE VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM ORDERING PARAGRAPHS 1 AND 2 OF DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS	)	**PROCEEDING NO. 25V-____E**

VERIFICATION OF JACK W. IHLE

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) **SS:**

I, Jack W. Ihle, being duly sworn, do hereby depose and state that I am the Regional Vice President, Regulatory Policy, at Xcel Energy Services Inc., and am an authorized agent for Public Service Company of Colorado. I have read the foregoing Verified Petition of Trial Staff of the Commission, the Colorado Energy Office, the Colorado Office of the Utility Consumer Advocate, and Public Service Company of Colorado for a Variance from Decision No. C18-0761 and Any Other Requirements, Request for Shortened Notice and Intervention Period, and Request for Approval of Associated Procedures. The facts set forth therein are true, accurate, and correct to the best of my knowledge, information, and belief.

Dated at Denver, Colorado, this 10th day of November, 2025.

Jack W. Ihle
Regional Vice President, Regulatory Policy
3500 Blake Street
Denver, Colorado 80205

Subscribed and sworn to before me this 10th day of November, 2025.

KRISTEN DIAZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20244015138
MY COMMISSION EXPIRES 04/18/2028

Notary Public

My Commission expires 4/18/2028